

To the House of Representatives,  
Forty-seventh Legislature:

I return House Bill No. 875 without my approval.

This Act penalizes employees working in seasonal industries by providing that Seasonal Employees' benefits under the Unemployment Compensation Act shall be determined by taking the percentage the total number of weeks in the calendar year the seasonal industry regularly operates bears to the total number of weeks in a calendar year. In other words, if an employee works for a seasonal industry that operates twenty-six (26) weeks out of a calendar year he would draw 1/2 the benefits he would be entitled to draw if he had worked for a non-seasonal employer. The workman is penalized because of the nature of the industry he works in.

It has been called to my attention that the "Experience Rating Law," which went into effect early this year, has caused concerns whose business is seasonal to have their taxes increased and is working a hardship upon such businesses. As I understand the "Experience Rating Law," it is designed to reward the employer who causes no unemployment by giving him a reduced rate and penalizes the employer who causes unemployment by increasing his rate. Obviously seasonal industries cause more unemployment than year-round industries and therefore must under the "Experience Rating Law" pay a higher rate. While I sympathize with the seasonal employers I do not believe that the best interest of the public will be served by reducing their taxes by denying full benefits to the thousands who work for them, and who are the very workmen who need unemployment compensation most to tide them over from one job to another. These unemployed workmen must either be taken care of by the industry who depends upon them, or by the general public through relief or charity. The bill is designed solely to obtain a tax reduction for a specific group of employers, which reduction as said herein above, is to be made at the expense of denying full benefits to their employees who become unemployed through no fault of their own.

The creation of this exemption, like that in House Bill No. 753 also vetoed by me, would bring demands from other groups for similar exemptions and would open a loophole that would be hard to plug in the future. I think benefits should be extended to more workmen instead of denying benefits to any.

For the above reasons I must decline to approve House Bill No. 875.

W. LEE O'DANIEL,  
Governor of Texas.